

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6780**  
**BILL NUMBER:** HB 1243

**NOTE PREPARED:** Apr 14, 2003  
**BILL AMENDED:** Apr 9, 2003

**SUBJECT:** Sewer Liens.

**FIRST AUTHOR:** Rep. Ayres  
**FIRST SPONSOR:** Sen. Skillman

**BILL STATUS:** As Passed - Senate

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill requires a municipality to charge a deposit to ensure payment of sewer fees. It limits the liability of a landowner for delinquent sewer fees incurred by a tenant. It also provides that the municipal officer responsible for collecting municipal sewer fees record and certify liens relating to delinquent sewer fees by using either a list or individual instruments. The bill requires that certification occur not later than 10 days after recording. The bill also voids certain liens recorded to enforce the collection of unpaid sewer fees and penalties.

**Effective Date:** (Revised) Upon Passage; July 1, 2003.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) Municipalities could avoid losing sewer fees, due to non-payment, to the extent that a deposit would offset the loss. This bill requires, rather than allows, a deposit be collected. The deposit may not exceed the estimated average payment due from the property for a three month period, and the deposit is to be retained in a separate fund. If a debtor fails to satisfy any delinquent costs and fees within sixty days, the depositor forfeits the deposit and all accrued interest.

This bill also requires that certain liens be voided, and that services charges and recording fees may not be imposed upon the owner of the property subject to the lien. Under these circumstances, the county recorder and auditor would lose those fees associated with recording and certifying the liens. Also the municipality would lose services charges placed on the lien. This part of the bill expires January 1, 2004.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Municipal sewage works, county recorders and county auditors.

**Information Sources:**

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